

Colorado Fiscal Managers' Association

CFMA 2007-2008 Officers

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E-MAIL ADDRESS FOR THE
OFFICERS AND COMMITTEE
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CFMA WEBSITE:

[HTTP://WWW.STATE.CO.US/CFMA/HOME
.HTM](http://www.state.co.us/cfma/home.htm)

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President's Corner *Tom Kingsolver*

Managers in the state of Colorado or even in the U.S. are not the only ones experiencing a shortage of accounting and finance professionals. Robert Half conducted a survey of more than 5,000 human resources and finance managers in 17 countries focusing on the challenges of finding skilled professionals, time to hire, key attributes sought and retention. The results indicate that these issues are global with little difference between the U.S., Europe and Asia. Results of the survey can be found here.

[http://www.roberthalf.net/
GfxUser/RHI/GFEM_UK.pdf](http://www.roberthalf.net/GfxUser/RHI/GFEM_UK.pdf).

The shortages are only going to get worse. By 2010 American businesses will face a labor shortage of more than 10 million workers and the gap will grow to 35 million by 2030.

One of the many challenges we face in hiring future finance and accounting staff is the issue of salaries. A recent article from the American Federation of Teachers indicates that many states have increased salaries for state employed professionals from 2006 to 2007. The median salaries across 45 jobs surveyed increased by 5.7 percent during that time but across

20 occupations, private sector salaries were about 30 percent higher than those of state employees. Recent newspaper articles show that state workers in Colorado are paid well compared to many other states but since we typically don't compete with other states for employees that becomes somewhat of a moot point. I'm sure none of us entered state service to get rich but it does make it extremely hard to compete with private sector employers with a salary gap as large as 30 percent. The entire article can be viewed here. [http://www.aft.org/pressce
nter/releases/2007/090307.
htm](http://www.aft.org/presscenter/releases/2007/090307.htm)

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Top Ten

Bill Schlaufman

First of all, I would like to thank everyone that has given me positive feedback on the top ten lists. If you have any positive feedback, please let me know. If you have negative feedback or don't think the top ten lists are funny, please keep it to yourself.

Some of the comments I've received are, "Better than Letterman, funnier than Jay Leno", "You should have your own TV show", "If the Cavemen from that insurance company commercial can have their own show, you should have one too." Thanks, Mom, for

sending me your comments. Unfortunately, I have an iron clad contract with CFMA to write top ten lists for the rest of the year, so the television show and movie deals will have to wait.

Retraction from last month: In last month's top ten list, I noted that the agency with the most Exhibit H's was considered the "Barry Bonds" of State Government. In no way did I mean to imply that any State Accountants are on steroids or growth enhancing drugs.

There has been a lot of

discussion, including articles in past issues of the CFMA newsletter, concerning recruiting and retaining Accountants in the State. Over the past few months, I have racked my brain and come up with the top ten ways to recruit new accounting graduates to the state:

10. Give nifty State of Colorado tote bag as a reward for each Accountant a current state employee recruits.
9. Give each new recruit high speed computer for purposes of buying Rockies World Series tickets.

...continued on page two

President's Corner *continued from page one*

Here is some interesting information on government workers. 34 percent of state government workers and 36 percent of local government workers are over age 50. Only 24 percent of private sector employees are over 50. Approximately 50 percent of public employees have a college degree while only 25 percent of private sector workers have a college degree. Public sector workers who do not have a college degree earn more than their private sector counterparts but as mentioned above for those that have a college degree the private sector earns about 30 percent more than public sector workers.

When I started as President, I asked what I or the Board could do to improve CFMA for the members. The Board received a proposal to establish a mentoring program that would pair new state employees (or those just wishing to learn) with experienced members who would be willing to provide financial knowledge and career advice. The Board felt this was a great idea and so we are creating a Mentor Program Committee. The committee chair will be Anne Bygrave from the Department of Education who brought the idea to us. More information can be found in Anne's article in this issue of the Fiscal Flyer. I would highly encourage you to participate either as a mentor or mentoree. If you attended the succession planning presentation at the Fall Conference, you know that mentoring was one of the

key strategies mentioned for attracting and retaining generation Y employees.

I want to express my thanks to the FAST folks for putting on a great Fall Seminar. They all put in a lot of time and effort to make it such a great success with approximately 250 people registered. The presentations were interesting and informative and Margie Seyfer, the keynote speaker was great. I also had a lot of positive comments on Mike Phelan's presentation on succession planning. We hope to have Margie and Mike back at the Spring Conference.

If you were not able to make it to the Fall Seminar, plan on attending our joint conference in Colorado Springs in April. The Spring Conference Planning Committee is continuing work on the conference. More information as it becomes available.

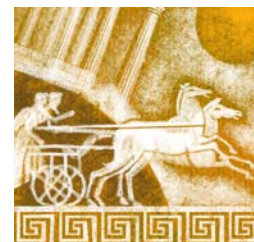
Paul Northrup, Chair of the Lunch Program Committee has lined up speakers for the January and February luncheons. Please note that we will not have a luncheon (or newsletters) in December due to the Christmas holidays or in April due to the Spring Conference. All the luncheons this year will be held at the Beef Palace except for the January luncheon which will be held at the History Museum. The dates are available on the web site. We are continuing the buy three get one free program so be sure to sign up.

As I mentioned in last month's newsletter, the November luncheon will feature Dylan Ikenouye, Motor Vehicle Registration Manager for the Department of Revenue. Please get your reservation in as soon as possible.



Top Ten *...continued from page one*

8. Put clause in their contract that they will be promoted to Governor if they stay with the state for 5 years.
7. Convince them COFRS is a state of the art system in which you talk to the computer and tell it what you want it to do.
6. Hire Paris Hilton as new State Human Resources Director.
5. Create new test for Controllers that requires no accounting degree, only addition flashcard test.
4. Implement new "work three months, get one month paid vacation" policy.
3. Eliminate time consuming year end close process and keep fiscal year open indefinitely.
2. Eliminate cubicles and redesign offices using Starbucks motif.
1. Give each recruit photo op with CFMA President Tom Kingsolver including 8x10 autographed picture.





"Gratitude is not only the greatest of virtues, but the parent of all others."
~ Cicero 106 BC - 43 BC

Bean Counter's Underground Press

Alan Boisvert

As oil toys with \$100 a barrel, many individuals I know are concerned that they could be paying well over \$3.00 a gallon for gas and perhaps as much as \$4.00 a gallon by next summer. Even though gasoline consumption in the U.S. has dropped by 5% since summer, prices have risen, and when demand picks up next summer, gasoline could soar. It is a little different than the Denver Water Board. When you conserve, their revenues fall, so they raise prices to make up the difference. Well, oil prices haven't really risen; it's just that the dollar has fallen internationally. Oil and gold prices rising are really just examples of the dollar falling. The more it falls, the more people will abandon it.

Four and a half years ago my daughter finished defending her master thesis at the University of Idaho. So I flew to Spokane to accompany her on her car trip back to Anchorage. Anchorage is the site of my vacation and possibly retirement home, which is where I will live out my final days hoping for even more global warming. I fear that the central U.S. will not be very hospitable in the summers of 2030 and beyond.

At the time I drove to Alaska gasoline was \$1.00 Canadian per liter. That seemed very high at the time to me because it translated back to about \$2.80 a gallon American. When we reached Tok, Alaska, gasoline was \$1.80 a gallon, still high compared to

Denver, but a \$1.00 a gallon cheaper than Canada. I figured most of it must be taxes because Canada has lots of oil.

Well today, guess what, gasoline in Canada is still \$1.00 a liter per loon (the local name for the dollar since it has a loon on it). However, that would be about \$4.20 a gallon in U.S. dollars. So, I have made my point, gasoline in Canada has risen \$1.40 a gallon in four and a half years if you are an American. If you live in Canada, Europe, Australia, or Russia, the price of oil has not gone up at all. If you live in the U.S. the price has not gone up either if your wages are paid in gold, Canadian dollars, or Euros. However, if you are paid in U.S. dollars, then I'm very sorry for you. It seems your dollars have been a long time overvalued and now they are seeking their true level, which is lower place, much the same place as your house.

The lesson here is that a weaker dollar has made vacationing in Miami easier for Canadians, and exports are up for U.S. industries. However going to dinner in Montreal or Paris will cost you a lot more if your income comes from PERA (unfortunately part of mine does). This will only get worse as the Federal Reserve has never allowed a recession during a Presidential Election year. Stay tuned for some more interest rate cuts and another big drop in the dollar before 2009, at which time it will be alright for the

Fed to start raising interest rates again. By then I won't need to explain to you that in Canada, the Loon is on the back of the dollar, not managing it.



"The opinions expressed here in are those of the author and do not necessarily represent the opinion of the Colorado Fiscal Manager's Association, its board, or its members."

Controller's Corner



What's Happening?

Fall CFMA Conference

FAST would like to thank all those who helped make the fall education conference a success. The final tally was 230 participants.

In the evaluations, many of you asked for more Succession Planning and working with the "generations". We'll see what can be done for the Spring conference. Many also liked the facility; we've already contacted their management about changes if we chose to go there next year (more tables, another buffet line).

Again, thanks for all the help. We couldn't put on these quality seminars without the time and energy donated by our members.

Senate Bill 06-173 – Mileage Reimbursement Rate Changes

Look for rate changes for mileage reimbursements in our next *Alert* that should be out in the very near future. The

By the Field Accounting Services Team, State Controller's Office

new rates will be effective January 1, 2008.

2007 Reporting for the Financial Responsibility and Accountability Act

Shortly, FAST will be sending compliance statements to all departments and higher education institutions required to report under the State's Financial Responsibility and Accountability Act. The statement is due December 31, 2007. Any questions regarding the act should be directed to your field accounting specialist.

Housekeeping Calendar Items

- ❖ FAST would like to thank all the agencies/ institutions that submitted their Travel Reports.
- ❖ If a capital construction six-month rule waiver is still needed, we believe the next available meeting of the Capital Development Committee is November 28-30.
- ❖ When your agency/institution signs its management representation letter for the 2007 audit, please forward a copy to your FAST member, this would be greatly appreciated.



Thanksgiving

Finally a little Thanksgiving Turkey ditty for your enjoyment-

The Turkey Popped Out of the Oven

The Turkey popped out of the oven
and rocketed in to the air;
It knocked every plate off the table
and partly demolished a chair.
It ricocheted into a corner
and burst with a deafening boom,
Then splattered all over the kitchen,
completely obscuring the room.
It stuck to the walls and the windows,
it totally coated the floor,
There was turkey attached to the ceiling,
where there had never been turkey before.
It blanketed every appliance,
it smeared every saucer and bowl;
There wasn't a way I could stop it;
that turkey was out of control.
I scraped and I scraped with displeasure
and thought with chagrin as I mopped,
That I would never again stuff a turkey
with popcorn that hadn't been popped.

(Written by Jack Prelutsky)

CFMA Mentorship Committee *Anne Bygrave*

The CFMA has just launched the Mentorship Committee, designed to match experienced State employees with less experienced employees in order to facilitate technical knowledge sharing as well as advice on how to navigate a career in the State's financial services.

As Tom has mentioned in recent issues of the Fiscal Flyer, the State faces the challenge of retaining knowledge and filling vacancies as we lose experienced workers to retirement. Mentoring provides an opportunity for CFMA members to share their valuable financial knowledge and career experiences with newer employees, mitigating the effects of future brain drain. As the New Membership Committee focuses on recruiting college graduates,

the Mentorship Program will compliment this effort by providing a means for new hires to become acquainted with the State's financial services and career opportunities.

The mentorships will be based on an informal agreement and will run for a period of six months. Mentors and mentorees will be matched based on similar goals, interests and areas of expertise. In order to foster interagency professional relationships and to allow employees to learn about the different financial processes and career opportunities that exist within the State, matches will be made with someone outside of their immediate agency.

During the six month period, participants should plan to share one or two meetings for coffee or lunch. The Board

has generously offered to donate a \$10 Starbucks gift to each membership team to get them started. Ideally the mentor will also be able to host the mentoree for a job shadow day, or even just a simple office visit.

CFMA members who would like to be a mentor or to be mentored can access and download an application form from the CFMA website. If you know of any State employees who aren't yet members of the CFMA but might benefit from the mentorship program, please tell them about it. This could be a good way to recruit new CFMA members who aren't necessarily fiscal managers but who are interested in State government fiscal management and accounting. I welcome your ideas on how to make the mentorship program a success.

State Budgets Tenous Heading into '08

Pamela M. Prah, Stateline.org Staff Writer

States awash in surpluses for the past two years are now treading water, with several desperately looking for lifelines to help them get out of budget trouble.

A slumping housing market and skimpier sales tax collections are busting budgets from California to Florida at a time when national job growth is sluggish and consumer confidence is at a nearly two-year low.

"The forecast is looking pretty grim," Sujit M. CanagaRetna, a state tax expert for the Council of State Governments, said. "The implications for states are serious."

Experts say it's too early to tell if all state budgets will

spiral into massive deficits in the coming year, but some states already see gaps in their ledgers:

The Florida Legislature is expected to vote this Friday (Oct. 12) on a deal to dig itself out of a \$1 billion hole through cuts in education, health care and courts.

Michigan was pushed to the brinks of a statewide government shutdown because it first had to erase an \$800 million deficit for its current fiscal year before it could pass a new budget for an Oct. 1 deadline. The new package relies on hikes in the personal income and sales tax and new taxes on an array of services.

Maryland needs to bridge

a looming \$1.7 billion deficit. Gov. Martin O'Malley (D) has pitched bumping up personal income, sales and tobacco taxes and relying on slot-machine gambling to gin up \$550 million for the state.

Both Arizona and Virginia are looking at more than \$600 million shortfalls in their current two-year budgets. Layoffs, hiring freezes and tapping rainy day funds are among ideas under consideration.

Nasty budget brawls broke out this year in California, Georgia, Illinois and Rhode Island as [states' financial picture appears in transition](#) (Wisconsin is the only state in the country without a budget plan yet for the

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Top Ten Questions Received By the Butterball Turkey Hotline

10. "If I put my phone in the turkey, can you tell me if it's done?"

9. "How can I be sure it's dead?"

8. "Transfer me to the gravy department."

7. "Given the current market, am I better off renting a turkey?"

6. "Can I buy an extended warranty for my turkey?"

5. "I've never cooked a turkey before--is it like cooking a raccoon?"

4. "When will the 2008 models be released?"

3. "Did you know your telephone number is one off from the gutterball bowling hotline?"

2. "What's the best kind of stuffing to shoot from a cannon?"

1. "Martha here--how big a turkey should I get for 1,500 hungry female cons?"

(Source David Letterman's Top Ten list)



State Budgets Tenuous Heading into '08

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new current fiscal year, which for all but four states began July 1.)

The stalled housing market is pinching states across the board, but more severely for states such as Arizona, California, Nevada and Florida that rely heavily on real estate taxes. A drop in home sales and prices mean states take a smaller cut — both in real-estate-related taxes and sales tax as most people who buy homes also purchase new appliances and carpeting and spend big money on home-improvements. Florida, for example, is particularly dependent on sales tax revenue since it does not have a state income tax.

Linked to the cooling housing market is the rise of [foreclosures on home mortgages](#). The highest default rates are connected to “subprime” loans given to riskier borrowers with credit problems or little credit history. These loans now are dubbed as “NINJA” loans, meaning they required “No Income, No Job and No Assets” of the borrower. An abundance of foreclosed homes that can’t be sold can lower property values, which can lower a community’s property taxes.

The booming housing market also filled state coffers in another way. With interest rates low, many homeowners refinanced, tapping into their home for easy equity, splurging on renovations or major purchases. The sales tax on these big-ticket items can bring in a significant chunk of change for a state’s budget. The sales tax on new car purchases, for example, accounted for 15.4 percent of Ohio’s total state sales tax collections in 2002.

While personal income taxes are the largest single source of

state tax revenue, the flow of money from the sales tax is more closely watched since its fluctuations are viewed as an early indicator of the health of the nation’s economy.

The latest figures show that the growth in sales tax for the second quarter was one of the lowest in four years at 6.1 percent and “matched rates last seen as the nation was emerging from the last recession,” according to the [Nelson A. Rockefeller Institute of Government’s state revenue report](#).

Not all states are feeling the squeeze for the same reason. Michigan’s [“one-state recession”](#) is blamed on the state’s heavy reliance on the failing U.S. auto industry. The well-being of Illinois and Ohio depends, in large part, on the economic performance of the manufacturing sector.

[New York is closely watching Wall Street](#), which in good times can account for up to 20 percent of state revenue. A booming stock market means higher corporate profits and hefty bonuses for investment bankers, with the state getting a cut. The health of the financial service sector also plays a big role for Connecticut and Massachusetts because of their large banking and insurance communities there.

Part of the problem, some critics say, is that states need to be more realistic in their budget projections and watch their spending more closely. “Budget woes have a lot to do with economic forecasts. Were prior economic forecasts a little too rosy?” Chris Edwards, director of tax policy at Cato, a libertarian think tank, said.

Curtis Dubay, an economist with the Tax Foundation, a Washington, D.C., think tank, said, “States that are having budget problems at this time need to look at their spending priorities, not so much at their tax revenue The only

reason a state would even be thinking about a budget deficit would be because of out-of-control spending.”

Many states have been on a spending spree for the past two years. Minnesota last year doled out \$522 million for a new baseball stadium for the Minnesota Twins, for example, while this year, Alabama forked over \$400 million in tax breaks and other incentives to land a German steel mill.

After the highs of the past two years, states can’t, and don’t expect, another banner budget year. But the long-term outlook is not expected to be as bad as the early part of this decade.

“Some folks are jumping to the conclusion that we are at the beginning of a downward cycle, but this is not another 2001-2003 period when all states went down and down dramatically,” Scott D. Pattison, executive director of the National Association of State Budget Officers.

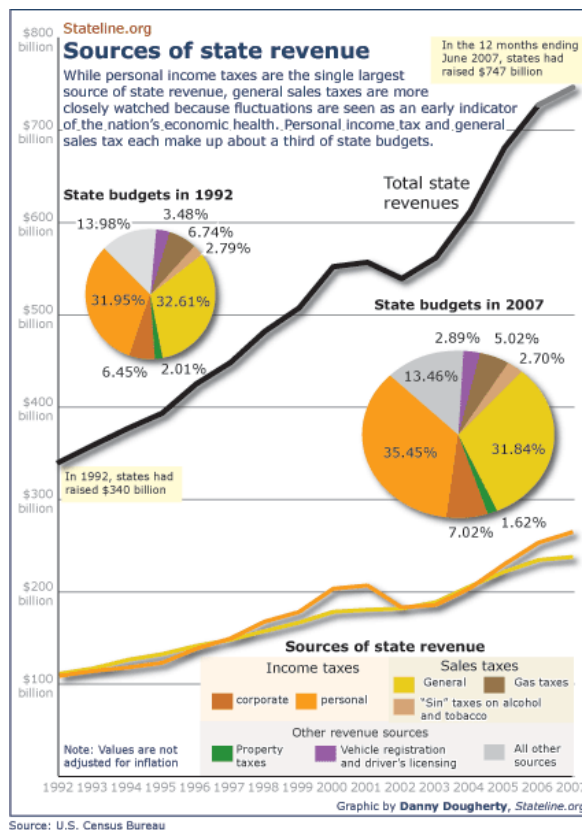
The national recession after the 9/11 terrorist attack plunged states into the worst economic conditions since the Great Depression. States were forced to close \$264 billion in budget gaps over five years beginning in 2001.

Pattison said states enjoyed higher-than-normal growth rates in tax revenue in the past few years. “We’re getting back to normal rates,” he said.

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Contact Pamela M. Prah at [pprah@stateline.org](#)

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CFMA LUNCHEON DATES/LOCAL

We are still confirming dates for the remainder of the year. See the web site for more info.

Mar. 20, 2008 TBA
Apr. 17, 2008 TBA
May 22, 2008 TBA
Jun. 19, 2008 TBA

Here is a list of the luncheon dates; speakers will be added as they are confirmed. Most luncheons are on Thursday except for Nov. 28 and Feb. 20, which are Wednesdays. The location will continue at the Beef Palace except for January 17, 2008 which will be held at the Historical Society.

Oct. 17, 2007 Cherry Mallard
Nov. 28, 2007 Dylan Ikenouye
Jan. 17, 2008 TBA
Feb. 20, 2008 TBA

Your lunch reservations should still be made using the Internet. Visit the CFMA luncheons web page (see link below) and click on the "Place Setting." You can register each month or sign up for all the lunches in one visit.

Moo...

NOVEMBER LUNCHEON



Place: Beef Palace – Serving Carved Beef and Chicken Poblano

Time: November 28, 2007 11:45am -1:30pm

Speaker: Dylan Ikenouye – "Colorado License Plates"

Please register by 12 PM on the Wednesday before the lunch. If you need to cancel after you register, please email Dottie Relaford before noon on the Wednesday before the lunch

dottie.relaford@state.co.us
<http://www.state.co.us/cfma/Luncheons/lunch.htm>

About Our Organization

CFMA is run by state employees elected by the membership. The Executive Board consists of the following four elected executive officers: President, Vice-President, Secretary, and Treasurer. Per CFMA's by-laws, all the officers are

elected for a one year term. The President and Vice-President can not succeed themselves in the same office. The Secretary and Treasurer can succeed themselves in office, but can serve no more than two consecutive terms.

At the discretion of the Executive Board, committees can be formed to assist in carrying out CFMA's goals and objectives. Participation on these committees comes from active CFMA members.

"Attend three CFMA luncheons this year and get the 4th lunch free!" – CFMA Board

CFMA's very popular buy three get one free lunch program is in place for the upcoming year. If you attend all eight lunches this year, CFMA will pay for two of them. To assist in the record Keeping process, please register each month using the Web site registration and be sure to use the same name. For example, Roger Cusworth and Roger A Cusworth are treated as two people in the database used to track free lunches. You also need to be sure you check in each time you attend a luncheon.

In case you are wondering, your attendance from last year does not carry over to this year.



We're on the Web!

See us at:
<http://www.state.co.us/cfma/home.htm>